



# Acceptance of Audit of California ISO Retirement Savings Benefits Plan for 2012 and 2011

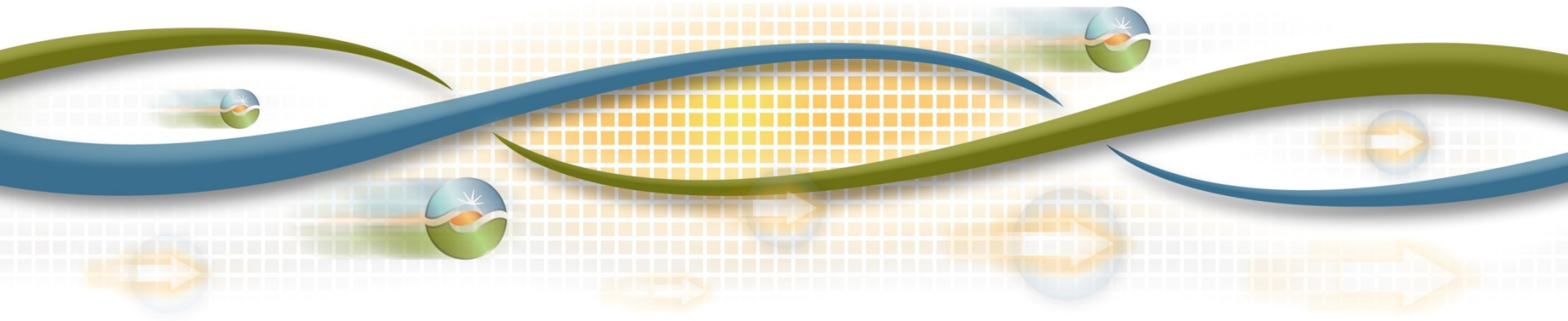
Ryan Seghesio, Chief Financial Officer & Treasurer

Brad Wall, Moss Adams LLP, Certified Public Accountants

Board of Governors Meeting

General Session

July 11-12, 2013



# US Department of Labor requires employee benefit plans to file audited financial statements.

- Defined contribution plan - 401(k)
  - Employee contributions and rollovers
  - Employer contributions
- Financial statements and supplementary information
  - Governmental Accounting Standards Board
  - Employee Retirement Income Security Act of 1974 (ERISA)
- Audit opinion modified in accordance with Department of Labor rules and regulations
  - Audit of the trustee's assets and related income (loss) not required if the assets are maintained at an approved trustee
  - Limited scope audit

# Plan assets increased by \$20.4 million in 2012.

(in millions)

Additions:	
Employee contributions	\$ 7.5
Employer contributions	8.3
Increase in value of investments & income	14.2
Deductions:	
Benefits paid	(9.6)
<b>Net increase in net assets for 2012</b>	<b>20.4</b>
Net assets, beginning of year	126.0
<b>Net assets, year-end 2012</b>	<b>\$146.4</b>

Presented by  
Moss Adams LLP,  
Certified Public Accountants

# About Moss Adams, LLP

- 11<sup>th</sup> largest firm in US, based in Seattle, 100 years in business
- California's largest provider of audits of ERISA plans
- Silicon Valley office performs approximately 400 audits annually with plans holding assets from \$.5 million to \$6 billion
- Firm performs approximately 1,300 audits annually

# The following auditor communications are required as part of the rules of professional responsibility

Communication	Response
Auditor responsibility	To perform audit; management is responsible for the financial statements
Significant accounting policies	No changes in 2012
Management judgments and estimates	Fair value of investments
Deficiencies in internal controls	None identified
Fraud and illegal acts	None identified
Disagreements with management	None
Consultations with other accountants	None
Material uncertainties	None
Significant issues discussed prior to retention	None
Independence	No issues
Audit adjustments recorded	4 adjustments, 1 reclass adjustment
Uncorrected misstatements	None

## Closing thoughts

- Information included in the Financial Statements and Supplementary Information complies with DOL's Rules and Regulations for Reporting and Disclosure under ERISA
- The 2012 audit was performed and completed on time
- High level of commitment and cooperation of ISO staff and Plan's service provider (Schwab) greatly appreciated
- Questions